

**State of Utah****Department of
Natural Resources**

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**Division of
Oil, Gas & Mining**

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June 21, 2006

Jim Fulton, Chief
Denver Field Division
Office of Surface Mining
1999 Broadway, Suite 3320
Denver, Colorado, 80202

Subject: Mine Facilities Area – Phase I and III Bond Release, Plateau Mining Corporation, Willow Creek Mine, C/007/0038, Task 2521

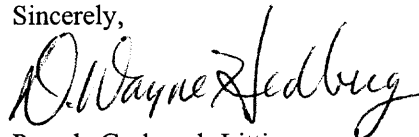
Dear: Mr. Fulton:

I am enclosing the Division's Decision Document for Phase I and Phase III bond release at the Willow Creek Mine. The Permittee is seeking Phase I bond release on 20.8 acres of land related to the overland conveyor corridor in Willow Creek and Price Canyons and the main mine facilities. The Permittee is seeking a bond release of \$434,699 (60% of the current bond amount of \$724,499.) After bond release, the bond for the overland conveyor corridor in Willow Creek and Price Canyons and the main mine facilities not part of the Phase III bond release will be \$289,800.

The Permittee is seeking Phase III bond release on 36.4 acres of land related to the mine buildings in Willow Creek Canyon. The area is located in the eastern part of the mine site. Parts of the area were not reclaimed so they could be used by the College of Eastern Utah for the establishment of the Western Energy Training Center. Mine facilities not needed for the project, such as portals and the associated highwalls were reclaimed. The Permittee is seeking a bond release of \$2,925,790. After bond release, the bond for the site will be \$0.

If you have any questions please call me at 801-538-5268 or Wayne Western (lead) at 801-538-5263.

Sincerely,


for Pamela Grubaugh-Littig
Permit Supervisor

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Enclosure
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**UTAH DIVISION OF OIL, GAS AND MINING
STATE DECISION DOCUMENT**

For

**Phase I Bond Release for the Overland Conveyor Corridor in Willow Creek and Price
Canyons and the Main Mine**

Phase III Bond Release for the Main Mine Facility

**Plateau Mining Corp.
Willow Creek Mine
C/007/038
Carbon County, Utah
June 21, 2006**

CONTENTS

- Administrative Overview
- Chronology
- Findings
- Recommendation for Phase I Bond Release
- Recommendation for Phase III Bond Release
- Technical Analysis
- Affidavits of Publication
- Phase I and III Bond Release Inspection Report
- BLM Concurrence Letter
- Plateau Mining Corp Letter

ADMINISTRATIVE OVERVIEW

**Plateau Mining Corp.
Willow Creek Mine
C/007/038
Carbon County, Utah
June 21, 2006**

ACTION

The Permittee is seeking Phase I bond release on 20.8 acres of land related to the overland conveyor corridor in Willow Creek and Price Canyons and the main mine facilities. The Permittee is seeking a bond release of \$434,699 (60% of the current bond amount of \$724,499.) After bond release, the bond for the overland conveyor corridor in Willow Creek and Price Canyons and the main mine facilities not part of the Phase III bond release will be \$289,800.

The Permittee is seeking Phase III bond release on 36.4 acres of land related to the main mine facilities area in Willow Creek Canyon. The area is located in the eastern part of the mine site. Parts of the area were not reclaimed so they could be used by the College of Eastern Utah for the establishment of the Western Energy Training Center. Mine facilities not needed for the project, such as portals and the associated highwalls were reclaimed. The Permittee is seeking a bond release of \$2,925,790. After bond release, the bond for the site will be \$0.

BACKGROUND

Willow Creek Mine is located approximately 10 miles north of Price, Utah in Carbon County. The main mine facility is located north east of the intersection of State Highway 191 and State Highway 6 and 50. The Willow Creek Mine contains 14,670 acres within the permit boundary of which 176.35 acres are within the disturbed area boundary.

The main mine facilities for the Willow Creek Mine were constructed in and around areas that had been previously disturbed by the Castle Gate Mine. Those Castle Gate Mine facilities had been reclaimed to Title V standards or been used by AML for permanent storage of coal refuse.

On April 23, 1996, the Division granted a permit for the Willow Creek Mine. The Permittee encountered difficult mining conditions and went into temporary cessation on December 11, 2000. On September 6, 2002, the Permittee informed the Division that the entire Willow Creek Mine site would be reclaimed.

The Division granted a change in the postmining land use to allow the site to be used for industrial purposes. The Division approved the following structures to remain after Phase III bond release:

- Three buildings that form the warehouse, office and shop complex.
- Sediment ponds.
- Water tanks and pumphouse.
- Propane tanks.
- Roads and other fixtures.

The bond release application consists of a detailed cover letter, a copy of the proposed newspaper advertisement, and copies of letters to local government agencies and owners of adjacent lands. The Permittee began public notice of the bond release application on April 13, 2006 and completed it on May 4, 2006. The Division received no public comments.

The Division conducted the bond release inspection on June 8, 2006. During the bond release inspection, the Division determined that the sites were eligible for Phase I and Phase III bond release.

CHRONOLOGY FOR PHASE III BOND RELEASE

**Plateau Mining Corp.
Willow Creek Mine
C/007/038
Carbon County, Utah
June 21, 2006**

April 23, 1996	The Division permits the Willow Creek Mine; part of the Willow Creek Mine overlaps the Castle Gate Mine. Castle Gate Coal Company is the permittee.
July 2, 1996	The permit is transferred to Amax Coal Company, which transfers the permit company to different subsidiaries until the permit is transferred to Plateau Mining Corporation.
June 1997	The overlapping areas of the Castle Gate and Willow Creek Mines are separated. The refuse pile and the preparation plant are part of the Willow Creek Mine.
December 11, 2000	The Willow Creek Mine goes into temporary cessation.
September 6, 2002	The Permittee informed the Division that the Willow Creek Mine would go into permanent cessation.
April 13, 2006 to May 4, 2006	The Permittee publishes an advertisement for bond release for the overland conveyor corridor in Willow Creek and Price Canyons and the main mine facilities in <i>Sun Advocate</i> .
June 4, 2006	End of public comment period, no comments received by the Division.
June 8, 2006	Phase I and Phase III bond release inspection. In attendance: Dennis Ware, Permittee Wayne Western, DOGM Dana Dean, DOGM Pam Grubaugh-Littig, DOGM Joe Helfrich DOGM, Sue Berger, BLM Henry Austin, OSM
June 9, 2006	The Permittee agrees to retain responsibility for the operation and maintenance of sediment pond 001A.
June 12, 2006	Technical analysis for the bond release finalized.
June 16, 2006	The Division received the concurrence letter from the BLM for both Phase I and Phase III bond release.

PHASE I and Phase III BOND RELEASE FINDINGS

Plateau Mining Corp.
Willow Creek Mine
C/007/038
Carbon County, Utah
June 21, 2006

SUMMARY OF FINDINGS

The Phase I and Phase III bond release findings for the overland conveyor corridor in Willow Creek and Price Canyons and the main mine facilities are in the attached Technical Analysis dated June 12, 2006. The Phase I and Phase III bond release was advertised for four consecutive weeks, starting April 13, 2006 and ending May 4, 2006. No comments were received during the public comment period. The Division and other parties conducted a bond release inspection on June 8, 2006. The inspection party found no problems that would prevent bond release.

The lands to receive Phase I and Phase III bond release are located in:

Township 12 South, Range 9 East, SLB&M, Utah

Section 36: Portions of the

NE1/4, NW1/4,

SE1/4, NW1/4,

SW 1 /4, NW 1 /4, and

SW1/4.

Section 35: Portions of the

NE1/4, SE1/4,

SE1/4, SEI/4, and

SEI/4, NE1/4.

Township 13 South, Range 9 East, SLB&M, Utah

Section 1: Portions of the NWI/4, NW1/4,

The Permittee met the bonding requirements by showing that after Phase I bond release that there will be enough money to ensure reclamation in the event of bond forfeiture and that all the requirements for Phase III bond release have been meet. The Permittee requested Phase I and Phase III bond release on various portions of the mine facilities. The amount of bond held for the main mine facilities and the amount requested for Phase I and Phase III bond release are listed in the following table.

Bond Release Main Mine Facilities			
Direct Costs	Bond Cost	Phase III	Phase I
Acers	57.2 Acres	36.4 Acres	20.8 Acres
Reclamation Costs in 2006 Dollars	\$3,650,289	\$2,925,790	\$724,499
Bond Release %		100%	60%
Bond Release	\$3,360,489	\$2,925,790	\$434,699
Remaining Bond	\$289,800	\$0	\$289,800

The roads left in the Phase III bond release area were certified as primary road in Section 4.5.2.3 of the MRP (page 4.5 – 45.)

One impoundment will remain on the site, Sedimentation Pond 001, located just below the entrance gate to the facilities. This pond was built and certified as part of the permitting process, and found to comply with all pertinent regulations regarding permanent impoundments (See bond release application).

Plateau Mining Corporation provided a letter (June 9, 2006) taking operation and maintenance responsibility for Pond 001 until other arrangements, agreeable to the Division, can be made.

PHASE I BOND RELEASE RECOMMENDATION

**Plateau Mining Corp.
Willow Creek Mine
C/007/038
Carbon County, Utah
June 21, 2006**

The Permittee demonstrated that the Phase I site is adequate to meet the requirements of Phase I bond release. The site was properly backfilled and graded, restored to approximate original contour, topsoil was placed on the site, and sediment controls were established. Therefore, the Division should grant the Phase I bond release request.

PHASE III BOND RELEASE RECOMMENDATION

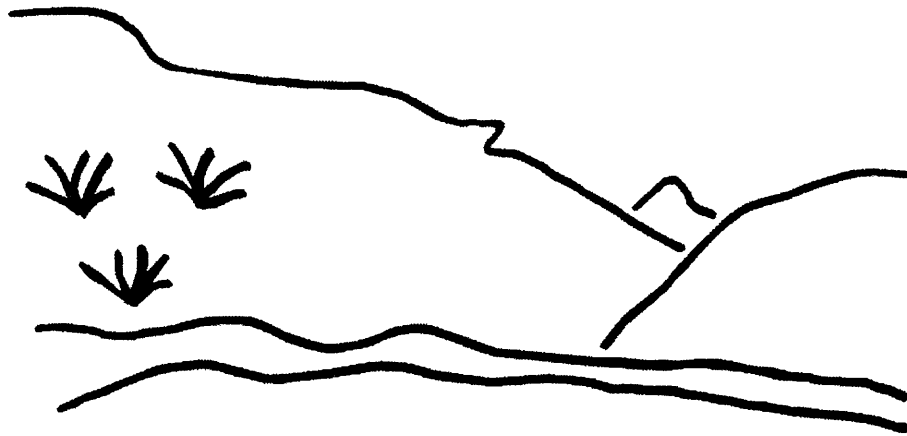
**Plateau Mining Corp.
Willow Creek Mine
C/007/038
Carbon County, Utah
June 21, 2006**

The Permittee demonstrated that the Phase III site is adequate for the alternative postmining land use, which is industrial. The site is in an environmentally stable condition. The Division recommends that the area be given Phase III bond release.

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State of Utah



Utah Oil Gas and Mining

Coal Regulatory Program

Willow Creek Mine
Plateau Mining Corporation
Technical Analysis
June 12, 2006

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TECHNICAL ANALYSIS DESCRIPTION

The Division ensures that coal mining and reclamation operations in the State of Utah are consistent with the Coal Mining Reclamation Act of 1979 (Utah Code Annotated 40-10) and the Surface Mining Control and Reclamation Act of 1977 (Public Law 95-87). The Utah R645 Coal Mining Rules are the procedures to implement the Act. The Division reviews each permit or application for permit change, renewal, transfer, assignment, or sale of permit right for conformance to the R645-Coal Mining Rules. The Applicant/Permittee must comply with all the minimum regulatory requirements as established by the R645 Coal Mining Rules.

The regulatory requirements for obtaining a Utah Coal Mining Permit are included in the section headings of the Technical Analysis (TA) for reference. A complete and current copy of the coal rules can be found at <http://ogm.utah.gov>

The Division writes a TA as part of the review process. The TA is organized into section headings following the organization of the R645-Coal Mining Rules. The Division analyzes each section and writes findings to indicate whether or not the application is in compliance with the requirements of that section of the R645-Coal Mining Rules.

Page 6

C0070038

June 12, 2006

TECHNICAL ANALYSIS DESCRIPTION

RECLAMATION PLAN

GENERAL REQUIREMENTS

Regulatory Reference: PL 95-87 Sec. 515 and 516; 30 CFR Sec. 784.13, 784.14, 784.15, 784.16, 784.17, 784.18, 784.19, 784.20, 784.21, 784.22, 784.23, 784.24, 784.25, 784.26; R645-301-231, -301-233, -301-322, -301-323, -301-331, -301-333, -301-341, -301-342, -301-411, -301-412, -301-422, -301-512, -301-513, -301-521, -301-522, -301-525, -301-526, -301-527, -301-528, -301-529, -301-531, -301-533, -301-534, -301-536, -301-537, -301-542, -301-623, -301-624, -301-625, -301-626, -301-631, -301-632, -301-731, -301-723, -301-724, -301-725, -301-726, -301-728, -301-729, -301-731, -301-732, -301-733, -301-746, -301-764, -301-830.

Analysis:

The Permittee met the general requirements for bond release. Those requirements are in R645-301-880.120 and R645-301-880.130. They consist of:

- Public Notice: The Permittee provided an affidavit of publication for a public notice of bond release. The publication ran from April 13, 2006 to May 4, 2006 in the Sun Advocate. The public notice contained all the information required by R645-301-880.120.
- Letters: The Permittee provided copies of letters sent to persons and agencies outlined in R645-301-880.120.
- Notarized Statement: The Permittee included a notarized statement about the completion of reclamation work as outlined in R645-301-880.130.

The Permittee is seeking bond release on 57.2 acres as follows:

- Phase I Bond Release: The Permittee has a \$724,499 bond on 20.8 acres for which they are seeking Phase I bond release for \$434,699, which is 60% of the current bond. The Permittee completed reclamation work on the area in August 2004. The Permittee completed the backfilling, grading, topsoil placement and established drainage controls.
- Phase III Bond Release: The Permittee has a \$2,926,000 bond on 36.4 acres for which they are seeking Phase III bond release for \$2,926,000, which is 100% of the current bond. The Permittee completed the requirements for Phase III bond release by establishing the site so that it could support the industrial postmining land use.

Findings:

The information in the bond release application is adequate to meet the requirements in this section of the TA.

RECLAMATION PLAN

POSTMINING LAND USES

Regulatory Reference: 30 CFR Sec. 784.15, 784.200, 785.16, 817.133; R645-301-412, -301-413, -301-414, -302-270, -302-271, -302-272, -302-273, -302-274, -302-275.

Analysis:

The Permittee met the postmining land use requirements for the Phase I and Phase III areas. The postmining land use for the Phase I area is wildlife habitat and grazing. The Phase I area was backfilled, graded, topsoiled, seeded and had drainage controls established according to the approved reclamation plan.

The Phase III area meets the requirements for industrial use. In Exhibit 23 of the bond release package, the Permittee shows that the College of Eastern Utah (CEU) has plans to develop the Western Energy Training Center at the main mine facilities area. The office building is suitable for administrative use and classrooms. The warehouse can be used for storage and class projects.

The Division granted a change in the postmining land use to allow the site to be used for industrial purposes. The Division approved the following structures to remain after Phase III bond release:

- Three buildings that form the warehouse, office and shop complex.
- Sediment pond 001.
- Propane tank, 30,000 gals.
- Roads and other fixtures as mentioned in the sales agreement.

Plateau Mining Corporation has submitted a post mining land use change to designate the Mine Facilities area as a training center to be administered by the College of Eastern Utah. Maps and appropriate text changes describing the post mining land use change are provided in the application. The area is stable and shows no signs of erosion or off-site deposition of additional suspended solids. The Permittee reclaimed the disturbed areas no longer needed for mining activities and not needed to support the postmining land use

Findings:

The information in the bond release application is adequate to meet the requirements in this section of the TA.

RECLAMATION PLAN

APPROXIMATE ORIGINAL CONTOUR RESTORATION

Regulatory Reference: 30 CFR Sec. 784.15, 785.16, 817.102, 817.107, 817.133; R645-301-234, -301-412, -301-413, -301-512, -301-531, -301-533, -301-553, -301-536, -301-542, -301-731, -301-732, -301-733, -301-764.

Analysis:

The Permittee met the requirements for restoring the site to the approximate original contours (AOC.) The only requirement in the R645-Rules for complying with the requirement to restore a site to the approximate original contours is R645-301-553.110. That regulation requires that the site achieve the approximate original contour.

The Division is developing technical directive 002 for guidance on AOC requirements. The general requirement to restore the site to AOC does not mean that the pre-mining and postmining contour maps must be identical. Rather, the general requirements are:

- The surface configuration achieved by backfilling and grading of the mined area so that the reclaimed area, including any terracing or access roads, closely resembles the general surface configuration of the land prior to mining.
- The reclaimed area blends into and complements the drainage pattern of the surrounding terrain.
- All highwalls and spoil piles are eliminated.
- Water impoundments may be permitted where the regulatory authority determines that they comply with all State and federal regulations.

There are two factors that complicate how AOC is met at the Willow Creek Mine. These factors are:

- The Permittee requests that the Division approve an application for an alternative postmining land use of industrial on 36.4 acres. In order to implement the industrial postmining land use, large parts of the area must remain flat. The original contour of the area was sloped. Therefore when considering the AOC requirements on the industrial area the Division will concentrate on whether the area is environmentally stable and if the area can support the postmining land use.
- Most of the Willow Creek Mine site was disturbed previously by the Castle Gate Mine. The Castle Gate Mine was operated both before and after the passage of the Surface Mining and Control and Reclamation Act of 1977 (SMCRA), and reclaimed. During final reclamation, the Abandoned Mine Lands (AML) program agreed to take over some reclamation work in order to dispose of coal mine waste from AML projects. Therefore, the original contours for the Willow Creek Mine included such features as cut slopes and highwall remnants.

RECLAMATION PLAN

Since restoring the site to pre-disturbance condition is impossible, the Division used the following criteria to evaluate the AOC requirements:

- Eliminate all spoil piles. There are no spoil piles in those areas.
- Eliminate all highwalls. All highwalls constructed as part of the Willow Creek Mine were reclaimed. Highwall remnants from the Castle Gate Mine that were not reclaimed are shown on Map 21 A – AB. The highwall remnants are in stable bedrock and vary from 10 to 30 feet high. The Permittee was unable to reclaim the preexisting highwall remnants because of lack of material and stability concerns. In order to completely reclaim the highwalls the slope angle would either have to be so steep that the stability requirements could not be met or the buildings would have to be removed.
- Depression removal. All depressions not needed for the postmining land use were removed. The sediment pond and pocks were left to control runoff and prevent erosion.
- Restore drainages. The Division considers that AOC has been achieved when all drainages met the hydrology requirements.
- Sediment control. The Division considers that AOC has been achieved when all sediment controls meet the hydrology requirements.
- Postmining land use. The Division considers that all lands for which Phase I Bond release was applied for meet the postmining land use requirements if all the postmining land use requirements have been met. The Division considers that all lands for which Phase III Bond release have been applied for meet the postmining land use because:
 - There is a reasonable likelihood for achievement of the use.
 - The use does not present any actual or probable hazard to public health and safety, or threat of water diminution or pollution.
 - The use will not be impractical or unreasonable, inconsistent with applicable land use policies or plans, involve unreasonable delay in implementation, or cause or contribute to a violation of Federal, State, or local law.
- Variance from AOC. The Permittee did not request a variance from the AOC requirements.

Findings:

The information in the proposed bond release amendment is considered adequate to meet the requirements in this section of the TA.

RECLAMATION PLAN

BACKFILLING AND GRADING

Regulatory Reference: 30 CFR Sec. 785.15, 817.102, 817.107; R645-301-234, -301-537, -301-552, -301-553, -302-230, -302-231, -302-232, -302-233.

Analysis:

General

The Permittee met the backfilling and grading requirement. The general backfilling and grading requirements are that the disturbed areas will be backfilled and graded to:

- Achieve the approximate original contour.
- Eliminate all highwalls, spoil piles, and depressions.
- Achieve a postmining slope that does not exceed either the angle of repose or such lesser slope as is necessary to achieve a minimum long-term static safety factor of 1.3 and to prevent slides.
- Minimize erosion and water pollution both on and off the site.
- Support the approved postmining land use.

The backfilling and grading requirements overlap the AOC requirements. See other sections of this TA for information on:

- The general AOC requirements, (*see AOC section of the TA.*)
- The elimination of highwalls, spoil piles, and depressions, (*see AOC section of the TA.*)
- The minimization of erosion and water pollution both on and off the site, (*see hydrology section of the TA.*)
- Support the approved postmining land use, (*see the land use section of the TA.*)

The slopes on the reclaimed areas are stable, meet the minimum safety factor of 1.3, and do not exceed the angle of repose. See Exhibit 23 of the bond release package for details.

Previously Mined Areas

As stated in the AOC section of the TA, the Willow Creek Mine site has a complicated history. Most of the area was originally part of the Castle Gate Mine, which was both a pre and post SMCRA site. The Castle Gate Mine was reclaimed and given final bond release. Part of area the was also used by AML to dispose of coal mine waste. The R645-Rules do not specifically deal with areas that were mined and then reclaimed according to SMCRA standards.

RECLAMATION PLAN

The main provision for previously mined areas is found in R645-301-553.500 and R645-301-553.600. Those rules apply to highwall retention in continuously mined and previously mined areas. Some highwall remnants from the Castle Gate Mine exist at the reclaimed Willow Creek Mine. Since the Castle Gate Mine was reclaimed according to SMCRA standards, the Division considers the highwall remnants and cut slopes that were in place before the Willow Creek Mine was constructed to be existing features that do not need to be reclaimed.

Findings:

The information in the bond release application is adequate to meet the requirements in this section of the TA.

MINE OPENINGS

Regulatory Reference: 30 CFR Sec. 817.13, 817.14, 817.15; R645-301-513, -301-529, -301-551, -301-631, -301-748, -301-765, -301-748.

Analysis:

The Permittee met the requirements for sealing all mine openings at the mine facilities area. The mine openings in the mine facilities area are:

- Portals: There are five portals within the main mine facilities. The portals were permanently sealed with concrete blocks and the backfilled with a minimum of 25 feet of material. This sealing method is the industrial standard and meets the requirements of R645-301-551.
- Rock Tunnels: The rock tunnels were constructed pre-SMCRA and were used for conveyor belts. Since the tunnels did not access coal they were not considered portals, therefore, the Division did not require the tunnels to be sealed. The Division only required the Permittee to backfill 25 feet from each tunnel entrance. The main reasons for seals are to prevent leakage of methane gas, water and a final barrier to prevent access. Since there is no source of methane or water in the tunnels and the length of the tunnels is short, block seals were not required by MSHA, the BLM or the Division.

Findings:

The information in the bond release application is adequate to meet the requirements in this section of the TA.

RECLAMATION PLAN

TOPSOIL AND SUBSOIL

Regulatory Reference: 30 CFR Sec. 817.22; R645-301-240.

Analysis:

Redistribution

The requirements for Phase I and Phase III bond release are described in R645-301-880.310 and R645-301-880.330. The Rule specifically states "no bond will be fully released under provisions of this section until reclamation requirements of the Act and the permit are fully met."

Earthwork (including seeding) at the Willow Creek site was completed in the fall of 2004. Reclamation as-built topography is shown on Maps 21 A – AB through 21 G – AB and associated cross-sections on Map 22A-AB. A total of 193,067 yd³ was moved to reclaim the overland conveyor and a total of 591,286 yd³ was moved to reclaim the main mine highwall (Attachment 3, Ex. 23).

Soil replacement is described in Sec. 5.2.2.2 of Ex. 23. Soils from the adjacent grass and sagebrush-covered slope were used for final cover over the long and short tunnels. The Willow Creek Mine topsoil stockpile was utilized in reclamation of the main mine facilities high wall. Analysis of the stockpiled soil and adjacent undisturbed areas are found in Sec. 4.2.2.2 of the MRP.

Findings:

The information in the bond release application is adequate to meet the requirements in this section of the TA.

ROAD SYSTEMS AND OTHER TRANSPORTATION FACILITIES

Regulatory Reference: 30 CFR Sec. 701.5, 784.24, 817.150, 817.151; R645-100-200, -301-513, -301-521, -301-527, -301-534, -301-537, -301-732.

Analysis:

Reclamation

The Permittee has met the requirements for reclamation of all roads not needed for the postmining land use. The Permittee has reclaimed all roads not needed for the postmining land use. No reclaimed roads were paved, so disposal of road pavement was not an issue. During reclamation, the Permittee removed all culverts and ditches associated with the reclaimed roads.

Retention

The Permittee retained most of the roads in the main mine complex because they are needed to support the postmining land use (See Map 18C.)

The Permittee retained the primary road PR-3 because that road is needed for access to the water treatment facilities owned by the Price River Water Improvement District (PRWID) and for access to Barn Canyon.

The roads left in the Phase III bond release area were certified as primary roads in Section 4.5.2.3 of the MRP (page 4.5 – 45.)

Findings:

The information in the bond release application is adequate to meet the requirements in this section of the TA.

HYDROLOGIC INFORMATION

Regulatory Reference: 30 CFR Sec. 784.14, 784.29, 817.41, 817.42, 817.43, 817.45, 817.49, 817.56, 817.57; R645-301-512, -301-513, -301-514, -301-515, -301-532, -301-533, -301-542, -301-723, -301-724, -301-725, -301-726, -301-728, -301-729, -301-731, -301-733, -301-742, -301-743, -301-750, -301-751, -301-760, -301-761.

Analysis:

RECLAMATION PLAN

Hydrologic Reclamation Plan

The Permittee met the requirements of R645-301-731. The bond release application includes maps and descriptions, indicating how they met the relevant hydrology requirements. The approved reclamation plan takes into account site specific hydrologic conditions, and contains the steps the Permittee took during coal mining and reclamation operations, to meet the minimum requirements for Phase I (conveyor corridor) and Phase III (facilities) bond release.

The approved reclamation plan (MRP) specifically addresses any potential adverse hydrologic consequences identified in the PHC, and includes preventative and remedial measures.

The Division has not required additional preventative, remedial or monitoring measures to assure that material damage to the hydrologic balance outside the permit area is prevented.

The following sections discuss the specific ways in which the Permittee has met the regulations, as they pertain to the application.

Diversions: Miscellaneous Flows

The Permittee met the requirements of R645-301-742.330 and subsections by designing all permanent diversions for ephemeral flows (WCRD-1 through WCRD-6B, and WCRC1 through WCRC6) to safely pass the runoff from a 10-year, 6-hour precipitation event. They present all design calculations and other pertinent information in Attachment 1 of Exhibit 23.

Sediment Control Measures

The Permittee met the requirements of R645-301-742 and relevant subsections by using the best technology currently available (BTCA) to prevent, to the extent possible, additional contributions of sediment to stream flow or to runoff outside the permit area, meet the applicable effluent limitations, and minimize erosion to the extent possible.

The sediment control measures the Permittee used include (Sec. 5.5.2.5 of Exhibit 23, and Section 4.5.2 of Attachment 1, Exhibit 23):

- Incorporation of hay mulch (or suitable substitute) into the soil.
- Deep gouging.
- Seeding.
- Mulching after seeding.
- Chemically anchoring the final mulch layer.
- Leaving Sedimentation Pond UTG040012-001 in place to control possible sediment contribution from the facilities area.

RECLAMATION PLAN

Siltation Structures: Sedimentation Ponds

The Permittee met the requirements of R645-301-742.220 *et seq.* by designing the sedimentation pond 001 to:

- Be used individually.
- Be located as near as possible to the disturbed area and out of perennial streams.
- Provide adequate sediment storage volume.
 - Pond 001 was designed to contain 0.89 acre-ft/day mine discharge in addition to the 10-year 24-hour storm event of 3.36 acre-feet (Attachment 4 of Exhibit 23). There is no mine water discharge, and none is anticipated, so the pond should be more than adequate to treat a 10-year 24-hour storm.
- Provide adequate detention time to allow the effluent from the ponds to meet Utah and federal effluent limitations.
- Since the capacity of Pond 001 is 11.5 acre-feet, and the design storm event (10 year 24 hour) is 3.36 acre-feet, the pond should contain the entire event with no discharge, allowing more than adequate settling time (the water should evaporate before any discharge occurs).

This pond does not meet the size or other criteria of the MSHA, 30 CFR 77.216(a), and therefore is not held to the requirements of such ponds.

The Permittee met the requirements of R645-742.223 by building the principal spillway such that it will safely pass the 25-year, 6-hour design storm volume. The emergency spillway is also designed to safely pass a 25-year, 6-hour design storm volume.

Design calculations and other pertinent construction information can be found in Exhibit 13 of the Willow Creek MRP.

Impoundments

The Permittee met the R645-301-552.200, concerning permanent sediment pond 001 as described below.

The Permittee met the requirements of R645-301-512.240 by having Pond 001 designed by a professional engineer, who used current, prudent, engineering practices and who is experienced in the design and construction of impoundments. The professional engineer certified the design of the impoundment according to R645-301-743 (See Exhibit 13, Appendix C and Addendum to Appendix C).

RECLAMATION PLAN

The Permittee met the requirements of R645-301-514.300 by having Pond 001 inspected at least yearly by a professional engineer who certified each inspection. They will continue this practice until bond release, as required, they have noted no instabilities or hazards to date.

The Permittee met the requirements of R645-301-515.200 by incorporating into the MRP a description of notification when potential impoundment hazards exist. No notification to the division of potential impoundment hazards has been necessary for Pond 001.

The Permittee met the requirements of R645-301-533.100 through 533.600 by

- Designing Pond 001 with a minimum static safety factor of 1.3 for a normal pool with steady state seepage saturation conditions (See Appendix A of Exhibit 11, MRP).
- Ensuring that the foundations and abutments for Pond 001 were stable during all phases of construction and operation and were designed based on adequate and accurate information on the foundation conditions (See Appendix A of Exhibit 11).
- Removing all vegetative and organic materials; and excavating and, preparing the foundations to resist failure.
 - Some coal fines were mixed into the southern embankment, under the direction of a professional engineer to ensure that stability would not be compromised in any way (Exhibits 11 and 13 of the MRP).
- Providing slope protection against surface erosion at the site, and sudden drawdown (Exhibit 13).
- Vegetating faces of embankments and surrounding areas, and riprapping faces where water is impounded.

No highwalls are in the near vicinity of Pond 001, and it does not meet the criteria of MSHA, 30 CFR 77.216(a), or NRCS Class B or C.

The Permittee met the requirements of R645-301-542.400 by properly maintaining Pond 001, and ensuring that it meets the requirements of the approved reclamation plan for permanent structures and impoundments. No renovations are necessary to meet the requirements of the R645 Rules and to conform to the approved reclamation plan.

The Permittee met the requirements of R645-301-733.220 through 224 by gaining approval from the Division (in this amendment) to leave Pond 001 as a permanent impoundment based upon the following demonstration:

- The size and configuration of Pond 001 is more than adequate for its intended purposes (Exhibit 13, Attachment 4 of Exhibit 23, Attachment 5 of Exhibit 23).
- When the Division grants Plateau Mining Corporation I Phase III bond release, their UPDES permit for Pond 001 becomes obsolete. Since Pond 001 is over-designed for the required storm event, the new landowner may see it as a total containment pond (no water is

RECLAMATION PLAN

anticipated to be discharged), and DWQ will not require a new UPDES permit. However if the pond ever does discharge, they would be in violation and DWQ would take action, possibly requiring a permit. Whether or not to permit the pond will be at the discretion of the new landowner.

- The intended use for Pond 001 is to provide sediment control from the mine facilities site. It will not be used as a not water supply.
- The Permittee has delivered a letter to the Division accepting responsibility for maintenance of the pond until other arrangements (acceptable to the Division) are made for maintenance of the pond.

The Permittee met the requirements of R645-301-743 by:

- Designing and certifying Pond 001 as described under R645-301-512.
- Ensuring Pond 001 has adequate freeboard to resist overtopping by waves and by sudden increases in storage volume (Exhibit 13).
- Designing Pond 001 with a combination of principal and emergency spillways, both of which can safely pass a 25-year, 6-hour design precipitation event (Exhibit 13).
- Inspecting Pond 001 at least yearly, certifying the inspection, and notifying the Division of all inspection results.

Pond 001 is suitable for the approved postmining land use of industrial, and will be used to control sediment from the facilities area.

Findings:

The information in the bond release application is adequate to meet the requirements in this section of the TA.

REVEGETATION

Regulatory Reference: 30 CFR Sec. 785.18, 817.111, 817.113, 817.114, 817.116; R645-301-244, -301-353, -301-354, -301-355, -301-356, -302-280, -302-281, -302-282, -302-283, -302-284.

Revegetation: Standards For Success

The Permittee has met the requirements for revegetation success. The Division's staff conducted site inspections and have evaluated the vegetation.

RECLAMATION PLAN

Vegetation has been established on the reclaimed areas. Most of the reclaimed areas have not shown any erosion or instability. The one area where minor soil movement occurred was on a slope behind the shop and warehouse. The area approximately 20' wide x 50' long that had shown some minor soil movement along the surface has remained stable since it was first noted on a previous inspection dated January 26, 2005. The event was triggered by a large precipitation event and frozen soils, which prevent the water from infiltrating deep in to the soils. The slopes have been inspected on the average of once every two months since January 2005 and no signs of weakness, failure, or structural instability was noted. Layne Jensen, professional engineer from the Earthfax Engineering consulting firm, has evaluated the slopes for stability as well. A copy of Mr. Jensen's findings is included in the Phase III Bond Release application.

The current estimate of 40% rock, and 18% vegetative cover appear to be more than adequate to control erosion. The sediment yield calculations for the reclaimed slopes indicate that the reclaimed areas can meet effluent limitations. However, the Permittee has opted to retain the sediment pond for additional sediment control.

Findings:

The information in the bond release application is adequate to meet the requirements in this section of the TA.

STABILIZATION OF SURFACE AREAS

Regulatory Reference: 30 CFR Sec. 817.95; R645-301-244.

Analysis:

Reclamation treatments are shown on Map 21 G-AB. The regraded site was covered with hay (2 tons/ac.) that was gouged into the surface before seeding. The hydroseeding operation was followed by a surface application of 1.5-tons/ac hay mulch and 500-lbs/ac tackifier. Locations of the gouging and seeding treatments are shown on Ex. 3.4-17AB.

Findings:

The information provided is adequate to meet the requirements of this section of the regulations. The Permittee has adequately applied best management practices to control erosion and prevent sediments from leaving the site.

MAPS, PLANS, AND CROSS SECTIONS OF RECLAMATION OPERATIONS

Regulatory Reference: 30 CFR Sec. 784.23; R645-301-323, -301-512, -301-521, -301-542, -301-632, -301-731.

Analysis:

Bonded Area Map

The Permittee has met the requirements for showing bonded area with Map 21E, which shows area for which Phase I and Phase III bond release will be granted.

Reclamation Backfilling And Grading Maps

The Permittee has met the requirements for backfilling and grading maps with Map 21E and cross-sections shown on Map 22A.

Reclamation Facilities Maps

The Permittee met the requirements for showing reclamation facilities by showing which facilities will be left on Map 21E.

Final Surface Configuration Maps

The Permittee has met the requirements for showing the final surface configuration with Maps 21E and Map 22.

The Permittee has met the requirements of R645-301-542.300 by depicting the as-built final surface configuration (including cross-sections, profiles and watershed maps) for the conveyor corridor and facilities areas on Maps 21A-AB through 21E-AB, and 22A-AB through 22B-AB.

Reclamation Surface And Subsurface Manmade Features Maps

The Permittee met the requirements for showing surface and subsurface manmade features by showing such items on Map 21E.

RECLAMATION PLAN

Reclamation Treatments Maps

The Permittee has met the requirements of R645-301-731.720 by depicting all diversions and treated areas on Map 21G-AB.

Certification Requirements.

The Permittee has met the certification requirements for all appropriate maps.

Findings:

The information in the bond release application is adequate to meet the requirements in this section of the TA.

BONDING AND INSURANCE REQUIREMENTS

Regulatory Reference: 30 CFR Sec. 800; R645-301-800, et seq.

Analysis:

Determination of Bond Amount

The Permittee met the bonding requirements by showing that after Phase I bond release that there will be enough money to ensure reclamation in the event of bond forfeiture and that all the requirements for Phase III bond release have been met. The Permittee requested Phase I and Phase III bond release on various portions of the main mine facilities areas. The amount of bond held for the main mine facilities and the amount requested for Phase I and Phase III bond release are listed in the following table.

Bond Release Main Mine Facilities			
Direct Costs	Bond Cost	Phase III	Phase I
Acreage	57.2 Acres	36.4 Acres	20.8 Acres
Demolition	\$1,229,034	\$1,073,552	\$155,482
Backfilling and	\$829,368	\$622,026	\$207,342

RECLAMATION PLAN

Grading			
Revegetation			
Drainage Controls	\$81,575	\$49,761	\$31,814
Revegetation	\$328,866	\$233,495	\$95,371
Total Direct Costs	\$2,468,843	\$1,978,834	\$490,009
Total Indirect Costs (26.8%)	\$661,650	\$530,328	\$131,322
Costs in 2001 Dollars	\$3,130,493	\$2,509,162	\$621,331
Reclamation Costs in 2006 Dollars	\$3,650,289	\$2,925,790	\$724,499
Bond Release %		100%	60%
Bond Release	\$3,360,489	\$2,925,790	\$434,699
Remaining Bond	\$289,800	\$0	\$289,800

Findings:

The information in the bond release application is adequate to meet the requirements in this section of the TA.

AFFIDAVIT OF PUBLICATION

APPLICATION FOR PHASE I AND PHASE III BOND RELEASE
PLATEAU MINING CORPORATION, WILLOW CREEK MINE
PERMIT C/007/038, APPROVED 04/24/2001
CARBON COUNTY, UTAH

STATE OF UTAH)

SS.

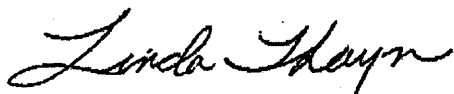
County of Carbon,)

I, Richard Shaw, on oath, say that I am the Publisher of the Sun Advocate, a twice-weekly newspaper of general circulation, published at Price, State a true copy of which is hereto attached, was published in the full issue of such newspaper for 4 (Four) publication was on the 13th day of April, 2006, and that the last publication of such notice was in the issue of such newspaper dated the 4th day of May, 2006.



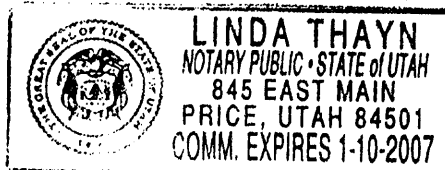
Richard Shaw - Publisher

Subscribed and sworn to before me this 4th day of May, 2006.



Notary Public My commission expires January 10, 2007 Residing at Price, Utah

Publication fee, \$ 665.60



Plateau Mining Corporation, P.O. Box 30, Helper, UT 84526, has completed Phase I of the approved reclamation plan for the 20.8 acres of land primarily related to the overland conveyor corridor in Willow Creek and Price Canyons and Phase III of the approved plan for 36.4 acres of land primarily related to the mine buildings in Willow Creek Canyon. The Phase I portion of the bond release application is based on completing the demolition, backfilling and grading and drainage control requirements in accordance with the approved reclamation plan and the Phase III portion of the bond release is based on an alternative post mining land use wherein this land is to be acquired by the College of Eastern Utah for industrial use. The reclamation work application to this bond release application was completed in August of 2004.

In accordance with the requirements of R645-301-880, of the State of Utah R645-Coal Mining Rules, notice is hereby given to the general public that Plateau Mining Corporation is applying for partial release of the performance bond posted for this operation.

The surety bond posted for the Willow Creek Mine is \$7,866,000 of which \$3,650,000 is designated for the overland conveyor corridor and the mine buildings area. Plateau Mining Corporation is seeking Phase I release of \$435,000 associated with the conveyor corridor portion of the bond and Phase III release of \$2,926,000 associated with the mine buildings portion of the bond.

The conveyor corridor and mine buildings are located on the Helper, Utah, U.S. Geological Survey 7.5 minute quadrangle map. This reclaimed land is located in Willow Creek and Price Canyons approximately 3.5 miles north of Helper, Utah on the following described lands:

Township 12 South, Range 9 East, SLB&M, Utah

Section 36: Portions of the NE1/4, NW1/4, SE1/4, NW1/4, SW1/4, NW1/4, and SW1/4.

Section 35: Portions of the NE1/4, SE1/4, SE1/4, SE1/4, and SE1/4, NE1/4.

Township 13 South, Range 9 East, SLB&M, Utah

Section 1: Portions of the NW1/4, NW1/4,

The Utah Division of Oil, Gas and Mining will now evaluate the proposal to determine whether it meets all the criteria of the Permanent Program Performance Standards according to the requirements of the Utah Coal Mining Rules.

Written comments, objections and requests for public hearing or informal conference on this proposal may be addressed to:

Utah Coal Program
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Closing date for submission of such comments, objections and requests for public hearing or informal conference on this proposal must be submitted to the Utah Coal Program by June 05, 2006.

Published in the Sun Advocate April 13, 20, 27 and May 4, 2006.



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

Representatives Present During the Inspection:

	Pamela Grubaugh-Littig	Environmental Manager
OGM	Dana Dean	Environmental Scientist III
OGM	Joe Helfrich	Environmental Scientist III
OGM	Wayne Western	Environmental Scientist III
Federal	Henry Austin	
Federal	Sue Berger	Mining Engineer Technician
Company	Dennis Ware	Controller

Inspection Report

Permit Number:	C0070038
Inspection Type:	BOND RELEASE
Inspection Date:	Thursday, May 11, 2006
Start Date/Time:	5/11/2006 8:00:00 AM
End Date/Time:	5/11/2006 11:30:00 AM
Last Inspection:	Wednesday, April 12, 2006

Inspector: Wayne Western, Environmental Scientist III

Weather: Clear to partly cloudy skies mild temperatures

InspectionID Report Number: 950

Accepted by: pgrubaug
6/9/2006

Permittee: **PLATEAU MINING CORP**

Operator: **PLATEAU MINING CORP**

Site: **WILLOW CREEK MINE**

Address: **PO BOX 30, HELPER UT 84526-0030**

County: **CARBON**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

Current Acreages

14,662.49	Total Permitted
154.05	Total Disturbed
	Phase I
	Phase II
	Phase III

Mineral Ownership

- ☒ Federal
- ☐ State
- ☐ County
- ☒ Fee
- ☒ Other

Types of Operations

- ☒ Underground
- ☐ Surface
- ☒ Loadout
- ☐ Processing
- ☐ Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

On May 11, 2006, the Division met with the Permittee, BLM, OSM, EarthFax Engineering, and PRWID to evaluate the refuse pile and preparation plant to determine if the sites meet the requirements for Phase I and Phase III bond release respectively. The group determined that the on the ground conditions were suitable for bond release.

Other attendees, Layne Jensen from EarthFax, Rich White from EarthFax, Angela Wadman from BLM, Phil Palmer from Price River Water Improvement District.

Inspector's Signature: _____

Wayne Western
Wayne Western, Environmental Scientist III

Date: Friday, May 12, 2006

Inspector ID Number: 42

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • www.ogm.utah.gov

Permit Number: C0070038
 Inspection Type: BOND RELEASE
 Inspection Date: Thursday, May 11, 2006

Inspection Continuation Sheet

Page 2 of 4

REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Division Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. Signs and Markers

All signs and markers were visible and in good repair.

4.a Hydrologic Balance: Diversions

All diversions were properly maintained and in working order. A number of large boulders had recently (since March) broken off from the peak above CGRD-1 and some fell into the diversion. The Permittee broke away and moved the portions that were blocking the diversion and those that are left should not cause any major obstruction to flows. To be sure, the Division will continue to observe the channel in the area of the boulders, especially after any sizable precipitation events.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Only one impoundment remains at the site, the raw water pond, which PRWID will utilize. The Operator committed to making sure that all regulations regarding permanent impoundments have been met in regard to this pond. In particular, they will supply the Division with a letter from PRWID assuming future maintenance responsibility for the pond.

4.c Hydrologic Balance: Other Sediment Control Measures

The deep gouging, seeding and mulching has worked to keep sediment in place in the areas that were reclaimed.

5. Explosives

No explosives were on site.

6. Disposal of Excess Spoil, Fills, Benches

No excess spoil was generated at the site.

7. Coal Mine Waste, Refuse Piles, Impoundments

The coal mine waste was placed in a refuse pile in School House Canyon. The refuse pile was reclaimed in 2004 according to the approved reclamation plan. The post mining land use for the refuse pile is wildlife habitat. Certified as-built maps and cross sections for the refuse pile reclamation were included in the bond release package. The refuse pile area consists of 26.01 acres. The Permittee placed 36 inches of cover over the refuse. The Division approved the use of 36 inches of cover because the refuse was nonacid and nontoxic.

8. Noncoal Waste

All noncoal waste was either removed from the site or properly stored.

10. Slides and Other Damage

The Division found that some large boulders (3' x 3' x 4') fell from a cliff outside the disturbed area boundaries and landed in the main channel at the top of the refuse pile. Rock fall from the cliff has, and will continue to, occur. The rock fall is not the result of mining and the Permittee cannot prevent the rock fall from occurring or prevent it from landing on the refuse pile. The Division evaluated the boulders in the channel and determined that the boulders would not block the stream flow. The Permittee and the Division will monitor the channel to ensure that it functions properly. If problems occur, the Permittee will take corrective action. In addition, there was a large boulder in the raw water pond at the preparation plant site. The boulder fell from a cliff that was outside the disturbed area boundary. No other slides were observed.

12. Backfilling And Grading

The Permittee backfilled and graded the refuse pile according to the approved reclamation plan in 2004. They included certified as-builts in the bond release package. The site was stable. The preparation plant site was not reclaimed because it is scheduled to be used by the Price River Water Improvement District (PRWID.) The preparation plant site was stable and Phil Palmer stated that the site was suitable for PRWID's use.

14. Subsidence Control

None of the areas were within the subsidence zone. No subsidence features were noted.

16.a Roads: Construction, Maintenance, Surfacing

All roads in the refuse pile area were reclaimed according to the reclamation plan. The roads in the preparation plant site were not reclaimed because they were needed for the postmining land use, which is industrial. The roads were in good shape and no problems were noted.

16.b Roads: Drainage Controls

Drainage ditches and culverts associated with the remaining roads were well maintained and in functioning order.

18. Support Facilities, Utility Installations

All support facilities associated with the refuse pile were removed. The support facilities that remained at the preparation plant were needed for the industrial post mining land use. There are several utilities that are buried in the preparation plant site that will remain.

21. Bonding and Insurance

The Permittee is seeking \$1,054,103 for Phase I bond release and \$1,503,260 for Phase III bond release.



United States Department of the Interior
BUREAU OF LAND MANAGEMENT

125 South 600 West
Price, Utah 84501
<http://www.blm.gov/utah/price/>



3474
(UT-070)

RECEIVED

JUN 16 2006

DIV. OF OIL, GAS & MINING

Jucy
4/07/06

Pamela Grubaugh-Littig
Utah Division of Oil, Gas and Mining
PO Box 145801
Salt Lake City, Utah 84114-5801

Subject: Phase I and Phase III Bond Release Inspection

Dear Mrs. Grubaugh-Littig:

The Phase I & III Bond Release Inspection took place on June 8, 2006. Plateau Mining Corporation has completed Phase I of the approved reclamation plan for the area south of School House Canyon and for the tunnel area.

Plateau Mining Corporation has completed Phase III of the approved reclamation plan for the mine facilities, fan area, portals and the area around the sedimentation pond. The BLM concurs with the reclamation that has taken place.

All coal resources have been protected due to sealing of all portals.

If you have any questions concerning this matter, please contact Sue Burger at (435) 636-3651.

Sincerely,

Gary Reimer
Gary Reimer

for Field Manager

cc: J. Kohler, Utah State Office (UT-92413)

**PLATEAU
MINING
CORPORATION**

Willow Creek Mine
P.O. Box 30
847 NW HWY 191
Helper, Utah 84526
Phone (435)472-4737
Fax: (435)472-4782

June 9, 2006

Pamela Grubaugh-Littig
Utah Division of Oil, Gas and Mining
Coal Program
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Re: Mine Facilities Area Phase III Bond Release Application, Permanent Impoundment, Plateau Mining Corporation, Willow Creek Mine, C/007/038, Carbon County, Utah

Dear Ms. Grubaugh-Littig:

Plateau Mining Corporation (PMC) has filed an application for Phase III Bond Release on 36.4 acres of land related to the mine buildings in Willow Creek Canyon. These 36.4 acres of land will be purchased by the College of Eastern Utah (CEU) and will be used as an industrial training facility. Contained in this acreage to be purchased by CEU is the Willow Creek Mine sedimentation pond number 001A. At this time PMC will retain responsibility for the operation and maintenance of sedimentation pond number 001A as a permanent impoundment under the rules of the Utah Division of Oil, Gas and Mining (specifically, the requirements of R645-301-743). PMC will retain this responsibility until such time as other arrangements, with the prior approval of the Division, are made. Plateau hereby states that the size and configuration of this permanent impoundment is adequate for its intended purpose; the quality of impounded water will be suitable on a permanent basis for its intended use; any discharge from the impoundment will not degrade the quality of the receiving waters; the water level will be sufficiently stable and be capable of supporting the intended use; final grading will provide adequate safety and access for the proposed water users and the dam construction was designed to achieve necessary stability with an adequate margin of safety.

Sincerely,



Dennis N. Ware
Controller and Administrative Manager

Enclosures

Enviro/PermitActions/WillowCreek/MineFacilities/PermanentImpoundment

Handwritten notes:
C/007/0038
Copy from